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Following is a summary of last month's major developments in Northern Greece:

"HUTCHISON-ALAPIS" CONSORTIUM SUBMITS HIGHEST BID FOR THESSALONIKI PORT'S CARGO STATION

11. On July 23, the Port of Thessaloniki announced that the Hutchison-Alapis consortium (Hong Kong-based) submitted the highest bid for the management of Thessaloniki port's cargo station and was therefore declared tentative winner of the competition, pending parliamentary approval (Ref A). Hutchison-Alapis's offer totaled \$1.61 bn, consisting of 38m (\$59m) as a deposit, 86m (\$134m) for the pier's space rental, 419m (\$654m) for the management of the pier for the next 30 years and 489m (\$763m) in investments to improve the port's physical facilities. The other two offers were significantly lower, with Cosco and Dubai Ports offering 131m (\$204m) and 68m (\$106m), respectively. The winning partnership will now have 20 days to submit documents, confirming the operational and financial viability of the company. On August 18, contract negotiations will commence between the management of the port and representatives of Hutchison-Alapis, with a view toward presenting the final contract to the Greek Parliament for ratification by the middle of November. A senior port manager told post Hutchison-Alapis's bid had exceeded all expectations and would almost certainly be approved. Local media reaction was positive overall, highlighting the winning consortium's plan to turn the port into a gateway to South-Eastern European markets. Media also noted the consortium's concerns about the state of the rail and road infrastructure outside the port itself. Meanwhile, on July 30, the Greek Federation of Port Workers decided unanimously to continue its mobilizations in protest of the port "privatization" for an eighth consecutive month, and to abstain from overtime and weekend work during August.

12. U.S. COMPANIES NEGOTIATING WITH HELLENIC SUGAR INDUSTRY ON CONVERSION OF SUGAR FACTORIES TO BIO-ETHANOL PLANTS

After the bidding process for the conversion of the Hellenic Sugar Industry's (HSI) factories to bio-ethanol plants was declared by HSI Managing Director Dimitrios Darnakas "fruitless," HSI shareholders decided on July 25 that the Industry should proceed to direct negotiations with the candidate companies. The contending companies are Motoroil (Greek) and Cal West Ethanol & Renew Energy consortium (U.S.) Some media have criticized the project for proposing first generation bio-ethanol production units, while other European countries have already moved to second and third generation ones. Also, the management of HSI was accused by its employees union and certain media of rigging the competition in favor of the U.S. company, after the on-line U.S.-based Neo magazine

prematurely pronounced the U.S. consortium "winners" (Neo subsequently retracted the announcement.) The same media expressed fears that should Cal West Ethanol & Renew Energy prevail, genetically modified crops imported from the U.S. will hinder the development of Greek farming. On August 9, a delegation from HSI will visit the Renew Energy facilities in Wisconsin.

#### 13. THESSALONIKI'S "ZONE OF INNOVATION" INADEQUATELY FUNDED AND PROBLEMATICALLY STRUCTURED

The Zone of Innovation in Thessaloniki (a state-funded initiative to attract and develop high-tech and other innovative businesses to northern Greece through lower taxes and other incentives) ) does not receive adequate financial support from the GoG, resulting in a threat to its sustainability, claimed its President, Prof. Iakovos Vassalos in the Zone's annual report. Also, he continued, the institutional framework within which the Zone must operate is complicated and hinders the project's efficiency. Other reports refer to the absence of a formal technical service within the Ministry of Macedonia-Thrace that would enable smooth progress on the project. Unless the above are rectified, media feels there will be delays in the completion of the Zone of Innovation. However, on July 10, the first phase of construction of Technopolis (a business park, funded by private investment but developed loosely under the auspices of the Zone of Innovation) was inaugurated. Technopolis will cover an area of around 25 acres and will initially accommodate 16 enterprises.

#### 14. SMALL BUSINESS CHAMBER JOINS FIGHT AGAINST MULTIMEDIA PIRACY

The President of the Thessaloniki Chamber of Professionals (representing small businesses) Michalis Zorpidis wrote an open letter to the Mayor and northern Greece Chief of Police, accusing them of inadequate enforcement of anti-piracy laws and urging them to take immediate action. In a subsequent July 16 meeting, Zorpidis told post that he and his Chamber were eager

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to work with the Consulate and other organizations to fight the flourishing trade in pirated and counterfeit goods in Northern Greece. . At the Consulate's suggestion, the Thessaloniki Chamber of Commerce wrote a similar letter to the Mayor and Chief of Police earlier this year urging enforcement of anti-piracy laws. In numerous meetings, police, municipal authorities and prosecutors have told post they are stepping up efforts to combat piracy but lack the necessary resources, clear guidelines and public support. Nevertheless, police report 150 cases of arrest for piracy since the beginning of the year, with goods being confiscated in 49 of those cases. On July 10, police confiscated over 2,500 pirated CDs and 700 DVDs and arrested one Greek man and his four foreign accomplices for illegal manufacturing and distribution of CDs and DVDs. . Media mentions that illegal trade rings tend to use African and Chinese street vendors, since they often cannot be arrested for illegal immigration, owing to their asylum-seeking status.

#### 15. CONTROVERSIAL RELIGIOUS FESTIVAL ON GREEK-MACEDONIAN BORDER TAKES PLACE WITHOUT INCIDENT

On July 20, the annual religious festival in the Greek village of Meliti, near the Greek-Macedonian border took place without incident, despite media speculation that expatriates from Macedonia would try to exploit the event to further property claims and other grievances against Greece (Ref B). Thirty members of the far-right "Golden Dawn" ("Chrisi Avgi") traveled to the border in anticipation of the visiting Macedonians but were met by police specifically deployed to prevent problems. Opposition MP Giorgos Lianis claimed on national TV that the U.S. Consul General tried unsuccessfully to secure an invitation to the festival, adding to recent media criticism of the Consul General's alleged intervention in Greek-Macedonian relations, e.g. encouragement of Macedonian claims about language and minority status. The Consulate General issued a disclaimer, stating it never sought an invitation to the festival. An MFA

contact told post that MP Lianis received his information from the Mayor of Meliti who, in an effort to publicize the event, felt obliged to include high-profile attendees, such as the Consul General.

#### ¶6. DELEGATIONS OF TURKISH POLITICIANS ON REGULAR VISITS TO THRACE ALLEGEDLY ENCOURAGING SEPARATISM

On July 4, a delegation of eight representatives of the Turkish far-right party MHP visited Thrace, met with local officials and discussed issues concerning the local Muslim minority. Later, on July 24, another group of Turkish MPs, headed by the Minister to the President Sait Gezicioglu, went to Thrace to attend the annual memorial assembly of Greek MP Dr. Ahmed Sadik, who was killed in a car crash in 1995. Turkish MPs who spoke at the assembly reportedly, urged attendees to realize Kemal Ataturk's vision of unifying the "Turks" of the Balkans. The unofficial (popularly elected) mufti of Komotini, Ibrahim Serif, said there would be "no rest, until Western Thrace becomes Turkish." Although, according to local sources, Turkish politicians have tried to establish the date as a major event on the Thrace minority's calendar, local attendance has declined sharply. Another delegation of Turkish politicians attended a festival in Thrace on August 3, and another delegation is expected to attend on August 5.

¶7. Some Thrace Muslim leaders welcomed Turkish interest in Thrace and harshly criticized GoG handling of the Turkish minority. On July 23, Xanthi MP Cetin Mantatzi invited Turkey to "come here (in Thrace) and claim us." (He later told media he meant an invitation to dialogue between the two countries over minority matters.) On July 16, Komotini MP Ahmet Hadjiosman accused the GoG of "exercising psychological violence" on the minority by insisting on multicultural kindergartens, as opposed to bilingual ones. The stance of the GoG discourages minority parents from sending their children to a kindergarten, thus creating educational problems for them later, he claimed.

#### ILLEGAL IMMIGRATION FROM IRAQ, PAKISTAN CONTINUES

¶8. On July 22, police found twenty Iraqi illegal immigrants in an apartment in West Thessaloniki who had entered Greece through the Evros River on the Greek-Turkish border. Three Georgian citizens were also arrested. In two separate cases, a Greek man was arrested while escorting four Iraqi illegal immigrants from the Greek-Turkish border to the town of Alexandroupoli and two other Greek men were arrested in their attempt to transport five Iraqi illegal immigrants. On July 24, two Greeks and a Georgian were arrested in Thrace for smuggling eight illegal immigrants from Pakistan. On July 28, 159 illegal immigrants from Iraq and Pakistan and eight traffickers were arrested in the municipality of Evros, on the Greek-Turkish border. In other cases during July, police caught 276 illegal immigrants (of unknown nationality) and arrested 12 traffickers.

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